



**PERENNIAL REAL ESTATE HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200210338M)

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE FOURTH QUARTER AND FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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## **Introduction**

Perennial Real Estate Holdings Limited ("**Perennial**") is an integrated real estate and healthcare company headquartered and listed in Singapore. As a real estate owner, developer and manager, Perennial focuses strategically on large-scale mixed-use developments and has a presence in China, Singapore, Malaysia, Indonesia, Myanmar, Sri Lanka and Ghana with a combined portfolio spanning over 65 million square feet in gross floor area.

Perennial is also a healthcare services owner, operator and provider in China with two core business segments, being hospitals and medical centres as well as eldercare and senior housing.

In China, Perennial is a dominant commercial developer with large-scale mixed-use integrated developments. Four of Perennial's developments, Chengdu East High Speed Railway ("**HSR**") Integrated Development, Xi'an North HSR Integrated Development, Perennial Tianjin South HSR International Healthcare and Business City and Perennial Kunming South HSR International Healthcare and Business City, are regional healthcare and commercial hubs which are situated adjacent to four of the country's largest HSR stations and incorporate medical, healthcare and eldercare facilities. Other notable projects in Perennial's portfolio include Beijing Tongzhou Integrated Development, Shenyang Longemont Integrated Development, Zhuhai Hengqin Integrated Development, Perennial Jihua Mall in Foshan and Perennial Qingyang Mall in Chengdu.

In Singapore, Perennial has invested in and/or manages prime iconic properties located in the Civic District, Central Business District and Orchard Road precinct, such as Capitol Singapore, CHIJMES, AXA Tower, 111 Somerset, Chinatown Point and House of Tan Yeok Nee.

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**1 (a)(i) Consolidated Income Statement**

	Note	3 months	3 months	Change	12 months	12 months	Change
		ended 31.12.2019	ended 31.12.2018		ended 31.12.2019	ended 31.12.2018	
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	1	33,051	22,957	44.0	124,221	78,261	58.7
Cost of sales		(18,484)	(17,615)	(4.9)	(76,707)	(47,530)	(61.4)
<b>Gross Profit</b>		<b>14,567</b>	<b>5,342</b>	172.7	<b>47,514</b>	<b>30,731</b>	54.6
Other income	2	37,385	44,261	(15.5)	51,893	327,448	(84.2)
Administrative expenses	3	(12,412)	(10,827)	(14.6)	(45,117)	(37,760)	(19.5)
Other operating expenses	4	(262)	(98)	(167.3)	775	(491)	(257.8)
<b>Results from operating activities</b>		<b>39,278</b>	<b>38,678</b>	1.6	<b>55,065</b>	<b>319,928</b>	(82.8)
Share of results of associates and joint ventures, net of tax	5	35,347	23,651	49.5	80,919	56,279	43.8
<b>Profit before interest and tax</b>		<b>74,625</b>	<b>62,329</b>	19.7	<b>135,984</b>	<b>376,207</b>	(63.9)
Finance income	6	9,615	3,308	190.7	15,727	12,511	25.7
Finance costs		(30,638)	(29,141)	(5.1)	(124,432)	(96,911)	(28.4)
<b>Net finance costs</b>		<b>(21,023)</b>	<b>(25,833)</b>	18.6	<b>(108,705)</b>	<b>(84,400)</b>	(28.8)
<b>Profit before tax</b>		<b>53,602</b>	<b>36,496</b>	46.9	<b>27,279</b>	<b>291,807</b>	(90.7)
Tax expense	7	(13,561)	(10,993)	(23.4)	(21,822)	(82,302)	73.5
<b>Profit for the period</b>		<b>40,041</b>	<b>25,503</b>	57.0	<b>5,457</b>	<b>209,505</b>	(97.4)
<b>Profit for the period attributable to:-</b>							
Owners of the Company		38,522	15,999	140.8	3,832	78,055	(95.1)
Non-controlling interests		1,519	9,504	(84.0)	1,625	131,450	(98.8)
		<b>40,041</b>	<b>25,503</b>	57.0	<b>5,457</b>	<b>209,505</b>	(97.4)

Nm: denotes not meaningful

**1 (a)(i) Consolidated Income Statement (cont'd)**

**Explanatory Notes to the Consolidated Income Statement 4Q 2019 versus 4Q 2018**

**(1) Revenue**

Revenue in 4Q 2019 increased by 44.0%, mainly attributable to higher revenue from Capitol Singapore, Chijmes, Qingyang, Perennial International Health and Medical Hub (“PIHMH”) and higher fee income.

**(2) Other income**

The other income in 4Q 2019 comprised mainly fair value gains from our projects in China. The increase in valuation was a result of higher rental achieved by the operational malls and advancement in construction works of the development projects.

**(3) Administrative expenses**

Higher administrative expenses in 4Q 2019 were mainly due to an increase in staff costs and higher depreciation of fittings and equipment, mainly in Capitol Singapore.

**(4) Share of results of associates and joint ventures**

Higher share of results of associates and joint ventures in 4Q 2019 was mainly due to fair value gains of our projects in China and higher contribution from healthcare associated companies, offset by the absence of fair value gain of Chinatown Point in 4Q 2018.

**(5) Other operating expenses**

The other operating expenses were mainly due to higher unrealised exchange loss in 4Q 2019 as compared to 4Q 2018.

**(6) Finance income**

The increase in finance income in 4Q 2019 was due to higher interest income on junior bonds accrued by associates and shareholders’ loan interest from another associated company.

**(7) Tax expense**

Tax expenses were mainly deferred tax provided for fair value gains of China properties. Taxes were higher due to higher fair value gains.

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**1 (a)(ii) Consolidated Statement of Comprehensive Income**

	Note	3 months 31.12.2019 S\$'000	3 months 31.12.2018 S\$'000	Change %	12 months 31.12.2019 S\$'000	12 months 31.12.2018 S\$'000	Change %
<b>Profit for the period</b>		<b>40,041</b>	<b>25,503</b>	57.0	<b>5,457</b>	<b>209,505</b>	(97.4)
<b>Other comprehensive income Items that are or may be reclassified subsequently to profit or loss</b>							
Foreign currency translation losses relating to foreign operations, net of tax	1	(12,900)	(2,106)	(512.5)	(83,836)	(72,592)	(15.5)
Foreign currency translation losses on monetary items forming part of net investments in foreign operations, net of tax		(4,090)	(791)	(417.1)	(11,877)	(5,778)	(105.6)
Share of other comprehensive income of associates/joint ventures	1	(2,479)	(5,691)	(56.4)	(45,602)	(43,033)	(6.0)
		(19,469)	(8,588)	(126.7)	(141,315)	(121,403)	(16.4)
<b>Items that will not be reclassified subsequently to profit or loss</b>							
Net change in fair value of financial assets, at FVOCI		-	(5,959)	100.0	4,930	(14,514)	134.0
Other comprehensive income for the period, net of tax		(19,469)	(14,547)	(33.8)	(136,385)	(135,917)	(0.3)
<b>Total comprehensive income for the period</b>		<b>20,572</b>	<b>10,956</b>	87.8	<b>(130,928)</b>	<b>73,588</b>	(277.9)
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		23,588	3,306	Nm	(97,049)	(27,271)	(255.9)
Non-controlling interests		(3,016)	7,650	(139.4)	(33,879)	100,859	(133.6)
<b>Total comprehensive income for the period</b>		<b>20,572</b>	<b>10,956</b>	87.8	<b>(130,928)</b>	<b>73,588</b>	(277.9)

Nm: denotes not meaningful

Note:

- (1) The movement during this quarter was in respect of the Group's net assets which were denominated in RMB, whereby RMB has depreciated against SGD by approximately 0.4% during the quarter.

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**1 (b)(i) Consolidated Statement of Financial Position for the Group and the Company**

	Note	Group			Company		
		31.12.2019	31.12.2018	Change	31.12.2019	31.12.2018	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
<b>Non-current assets</b>							
Plant and equipment		291,447	297,445	(2.0)	154	233	(33.9)
Investment properties		3,378,695	3,349,533	0.9	-	-	-
Subsidiaries		-	-	-	2,151,959	2,637,351	(18.4)
Associates and joint ventures		2,254,469	2,491,511	(9.5)	-	-	-
Intangible assets		75,741	78,345	(3.3)	-	-	-
Other financial assets	1	-	72,510	(100.0)	-	72,510	(100.0)
Other receivables		9,573	4,211	127.3	498,136	-	Nm
		6,009,925	6,293,555	(4.5)	2,650,249	2,710,094	(2.2)
<b>Current assets</b>							
Development properties		1,094,073	1,088,059	0.6	-	-	-
Inventories		326	1,234	(73.6)	-	-	-
Trade and other receivables	2	330,947	210,630	57.1	186,854	148,951	25.4
Cash and cash equivalents		119,808	76,856	55.9	785	4,582	(82.9)
		1,545,154	1,376,779	12.2	187,639	153,533	22.2
<b>Total assets</b>		7,555,079	7,670,334	(1.5)	2,837,888	2,863,627	(0.9)
<b>Non-current liabilities</b>							
Loans and borrowings		1,669,889	2,176,102	(23.3)	119,914	615,128	(80.5)
Junior bonds		30,000	30,000	-	-	-	-
Trade and other payables	3	152,279	84,171	80.9	-	-	-
Deferred tax liabilities		161,736	156,166	3.6	-	-	-
		2,013,904	2,446,439	(17.7)	119,914	615,128	(80.5)
<b>Current liabilities</b>							
Loans and borrowings		1,298,729	761,960	70.4	459,515	-	Nm
Trade and other payables	4	375,089	475,232	(21.1)	12,848	12,754	0.7
Current tax liabilities		15,756	10,325	52.6	886	869	2.0
		1,689,574	1,247,517	35.4	473,249	13,623	Nm
<b>Total liabilities</b>		3,703,478	3,693,956	0.3	593,163	628,751	(5.7)
<b>Net assets</b>		<b>3,851,601</b>	<b>3,976,378</b>	(3.1)	<b>2,244,725</b>	<b>2,234,876</b>	0.4
<b>Equity</b>							
Share capital		2,208,267	2,208,267	-	2,208,267	2,208,267	-
Other reserves		452,705	459,750	(1.5)	9,631	16,972	(43.2)
Foreign currency translation reserve	5	(263,316)	(158,084)	(66.6)	-	-	-
Retained earnings		234,778	222,712	5.4	26,827	9,637	178.4
<b>Equity attributable to owners of the Company</b>		2,632,434	2,732,645	(3.7)	2,244,725	2,234,876	0.4
Non-controlling interests		1,219,167	1,243,733	(2.0)	-	-	-
<b>Total equity</b>		<b>3,851,601</b>	<b>3,976,378</b>	(3.1)	<b>2,244,725</b>	<b>2,234,876</b>	0.4

Nm: denotes not meaningful

**1 (b)(i) Consolidated Statement of Financial Position for the Group and the Company (cont'd)**

**Explanatory Notes to the Consolidated Statement of Financial Position**

**(1) Other financial assets**

The financial assets were disposed off during the year.

**(2) Trade and other receivables (Current)**

The increases were mainly due to additional short term shareholders' loan extended to a joint venture.

**(3) Trade and other payables (Non-current)**

The payables increased mainly due to a loan from a joint venture where the repayment date has been extended.

**(4) Trade and other payables (Current)**

The payables were reduced mainly due to repayment of loans advanced by non-controlling interests and reclassification of a loan extended by a joint venture to non-current payables.

**(5) Foreign currency translation reserve**

The foreign currency translation reserve was in debit balance and this balance increased mainly from the depreciation of RMB against SGD in 2019.

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**1 (b)(ii) Aggregate Amount of Borrowings for the Group**

	Group		
	As at 31.12.2019	As at 31.12.2018	Change
	S\$'000	S\$'000	%
<b><u>Amount repayable in one year or less, or on demand:</u></b>			
Secured	105,895	226,493	(53.2)
Unsecured <sup>(1)</sup>	1,192,834	535,467	122.8
	<b>1,298,729</b>	<b>761,960</b>	<b>70.4</b>
<b><u>Amount repayable after one year:</u></b>			
Secured	1,335,189	1,184,266	12.7
Unsecured <sup>(1)</sup>	334,700	991,836	(66.3)
	<b>1,669,889</b>	<b>2,176,102</b>	<b>(23.3)</b>
<b>Total borrowings <sup>(2)</sup></b>	<b>2,968,618</b>	<b>2,938,062</b>	<b>1.0</b>

Notes:

- (1) Unsecured borrowings include unsecured bank facilities, retail bonds and notes issued under the S\$2 billion multicurrency debt issuance programme ("MTN Programme") established on 22 January 2015. The increase in short term borrowings was because the retail bonds and fixed rate notes are maturing in 2020. In addition, the unsecured bank facilities are due for renewal in 2020.

To date, a total of S\$625 million of fixed rate notes had been issued under the MTN Programme, of which S\$400 million are outstanding.

- (2) The above borrowings were stated net of unamortised financing related transaction costs.

Details of collaterals for secured borrowings

Secured bank borrowings are generally secured by mortgages on the borrowing subsidiaries' properties and assignment of all rights and benefits with respect to the properties mortgaged.



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**1 (c) Consolidated Statement of Cash Flows**

	<b>3 months</b> <b>31.12.2019</b> S\$'000	<b>3 months</b> <b>31.12.2018</b> S\$'000	<b>12 months</b> <b>31.12.2019</b> S\$'000	<b>12 months</b> <b>31.12.2018</b> S\$'000
<b>Cash flows from operating activities</b>				
Profit for the period	40,041	25,503	5,457	209,505
Adjustments for:				
Depreciation of plant and equipment	4,095	3,669	13,846	4,593
Amortisation of intangible assets	651	651	2,604	2,604
Foreign currency exchange loss/(gain) (net)	455	257	(910)	(205)
Change in fair value of investment properties	(48,242)	(38,477)	(48,242)	(309,077)
Net finance costs	21,023	25,833	108,705	84,400
Share of results of associates and joint ventures, net of tax	(35,347)	(23,651)	(80,919)	(56,279)
Re-measurement to fair value of existing equity interest in a former joint venture	-	(4,933)	-	(13,998)
Loss on disposal of plant and equipment	128	-	135	-
Loss on disposal of associates	8,888	-	(1,109)	-
Dividend income	-	-	(1,231)	-
Provision for bad debts	(2)	-	169	-
Equity-settled share-based payment transactions	757	944	3,485	2,929
Tax expense	13,561	10,993	21,822	82,302
	<b>6,008</b>	<b>819</b>	<b>23,812</b>	<b>6,774</b>
<b>Changes in:</b>				
- Inventories	51	(466)	907	(521)
- Development properties	(32,344)	(2,174)	(36,847)	(30,615)
- Trade and other receivables	(12,841)	3,506	(61,191)	45,207
- Trade and other payables	12,359	(3,076)	23,326	(54,629)
Cash used in operations	(26,767)	(1,391)	(49,993)	(33,784)
Tax paid	(375)	(662)	(5,338)	(4,717)
<b>Net cash used in operating activities</b>	<b>(27,142)</b>	<b>(2,053)</b>	<b>(55,331)</b>	<b>(38,501)</b>
<b>Cash flows from investing activities</b>				
Interest received	1,987	2,237	4,192	5,905
Acquisition of subsidiaries, net of cash acquired of	-	-	-	(95,025)
Acquisition of plant and equipment	(1,814)	(3,444)	(9,602)	(12,681)
Development expenditure - investment properties (Loans to)/repayments from associates and joint ventures	(38,864)	(13,542)	(56,577)	(71,446)
Advance to/repayment of loans to non-controlling interests	(16,629)	4,250	(139,758)	(33,344)
	(1,494)	-	(30,287)	-
Investment in associates and joint ventures	(166)	(40,590)	(29,857)	(105,123)
Proceeds from disposal of other financial assets	-	-	78,061	-
Proceeds from disposal of plant and equipment	-	-	1,488	-
Dividends from an associate	-	2,499	15,280	5,555
Distribution from an associate arising from gain on disposal of its subsidiaries	-	-	111,858	-
Proceeds from disposal of an associate	202,681	-	242,736	-
Dividends from other investments	-	1,014	1,450	4,074
<b>Net cash from/(used in) investing activities</b>	<b>145,701</b>	<b>(47,476)</b>	<b>188,984</b>	<b>(302,085)</b>

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**1 (c) Consolidated Statement of Cash Flows (cont'd)**

	<b>3 months</b> <b>31.12.2019</b> S\$'000	<b>3 months</b> <b>31.12.2018</b> S\$'000	<b>12 months</b> <b>31.12.2019</b> S\$'000	<b>12 months</b> <b>31.12.2018</b> S\$'000
<b>Cash flows from financing activities</b>				
Dividends paid to owners of the Company	-	-	(6,647)	(16,618)
Purchase of treasury shares	-	(64)	-	(1,956)
Proceeds from loans and borrowings	28,380	327,226	564,578	2,064,998
Payment of upfront debt arrangement costs	(364)	(1,377)	(3,719)	(6,944)
Repayments of loans and borrowings	(121,959)	(345,692)	(561,808)	(1,720,111)
Loan from joint venture	7,562	47,552	18,780	84,770
Capital injection by non-controlling interests	3,776	12,880	9,313	21,154
Acquisition of non-controlling interests	-	-	-	(18,781)
Interest paid	(18,554)	(31,283)	(110,103)	(99,543)
<b>Net cash (used in)/from financing activities</b>	<b>(101,159)</b>	<b>9,242</b>	<b>(89,606)</b>	<b>306,969</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>17,400</b>	<b>(40,387)</b>	<b>44,047</b>	<b>(33,617)</b>
Cash and cash equivalents at beginning of the period	99,593	113,154	76,856	111,678
Effect of exchange rate changes on cash balances held in foreign currencies	2,815	4,089	(1,095)	(1,205)
<b>Cash and cash equivalents at end of the period</b>	<b>119,808</b>	<b>76,856</b>	<b>119,808</b>	<b>76,856</b>

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**1 (d)(i) Statement of Changes in Equity for the Group and the Company**

<b>Group</b>	<b>Share capital</b> S\$'000	<b>Other reserves<sup>(1)</sup></b> S\$'000	<b>Foreign currency translation reserve<sup>(2)</sup></b> S\$'000	<b>Retained earnings</b> S\$'000	<b>Total</b> S\$'000	<b>Non-controlling interests</b> S\$'000	<b>Total equity</b> S\$'000
<b>At 1 October 2019</b>	<b>2,208,267</b>	<b>450,960</b>	<b>(249,956)</b>	<b>198,818</b>	<b>2,608,089</b>	<b>1,218,407</b>	<b>3,826,496</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	38,522	38,522	1,519	40,041
<u>Other comprehensive income</u>							
Foreign currency translation differences relating to foreign operations, net of tax	-	-	(6,560)	(1,539)	(8,099)	(4,801)	(12,900)
Foreign currency translation differences on monetary items, net of tax	-	-	(2,580)	-	(2,580)	(1,510)	(4,090)
Share of other comprehensive income of associates and joint ventures	-	(38)	(4,220)	3	(4,255)	1,776	(2,479)
Total other comprehensive income	-	(38)	(13,360)	(1,536)	(14,934)	(4,535)	(19,469)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(38)</b>	<b>(13,360)</b>	<b>36,986</b>	<b>23,588</b>	<b>(3,016)</b>	<b>20,572</b>
<b>Transactions with owners, recorded directly in equity</b>							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	757	-	-	757	-	757
Capital injection by non-controlling interests	-	-	-	-	-	3,776	3,776
Transfer to statutory reserve	-	1,026	-	(1,026)	-	-	-
Total contribution in ownership interests	-	1,783	-	(1,026)	757	3,776	4,533
<b>Total transactions with owners</b>	<b>-</b>	<b>1,783</b>	<b>-</b>	<b>(1,026)</b>	<b>757</b>	<b>3,776</b>	<b>4,533</b>
<b>At 31 December 2019</b>	<b>2,208,267</b>	<b>452,705</b>	<b>(263,316)</b>	<b>234,778</b>	<b>2,632,434</b>	<b>1,219,167</b>	<b>3,851,601</b>

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**1 (d)(i) Statement of Changes in Equity for the Group and the Company (cont'd)**

<b>Company</b>	<b>Share capital</b> S\$'000	<b>Other reserves<sup>(1)</sup></b> S\$'000	<b>Retained earnings</b> S\$'000	<b>Total</b> S\$'000
<b>At 1 October 2019</b>	<b>2,208,267</b>	<b>8,874</b>	<b>19,526</b>	<b>2,236,667</b>
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	7,301	7,301
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>-</b>	<b>7,301</b>	<b>7,301</b>
<b>Transactions with owners, recorded directly in equity</b>				
<i>Contributions by and distributions to owners</i>				
Share-based payment transactions	-	757	-	757
<b>Total transactions with owners</b>	<b>-</b>	<b>757</b>	<b>-</b>	<b>757</b>
<b>At 31 December 2019</b>	<b>2,208,267</b>	<b>9,631</b>	<b>26,827</b>	<b>2,244,725</b>

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**1 (d)(i) Statement of Changes in Equity for the Group and the Company (cont'd)**

<b>Group</b>	<b>Share capital</b> S\$'000	<b>Other reserves<sup>(1)</sup></b> S\$'000	<b>Foreign currency translation reserve<sup>(2)</sup></b> S\$'000	<b>Retained earnings</b> S\$'000	<b>Total</b> S\$'000	<b>Non-controlling interests</b> S\$'000	<b>Total equity</b> S\$'000
<b>At 1 October 2018</b>	<b>2,208,267</b>	<b>464,998</b>	<b>(151,248)</b>	<b>207,750</b>	<b>2,729,767</b>	<b>1,230,521</b>	<b>3,960,288</b>
<b>Total comprehensive income for the period</b>							
Profit for the period	-	-	-	15,999	15,999	9,504	25,503
<u>Other comprehensive income</u>							
Net change in fair value of financial assets, at FVOCI	-	(5,959)	-	-	(5,959)	-	(5,959)
Foreign currency translation losses relating to foreign operations, net of tax	-	-	(1,710)	-	(1,710)	(396)	(2,106)
Foreign currency translation losses on monetary items, net of tax	-	-	(468)	-	(468)	(323)	(791)
Share of other comprehensive income of associates and joint ventures	-	102	(4,658)	-	(4,556)	(1,135)	(5,691)
Total other comprehensive income	-	(5,857)	(6,836)	-	(12,693)	(1,854)	(14,547)
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>(5,857)</b>	<b>(6,836)</b>	<b>15,999</b>	<b>3,306</b>	<b>7,650</b>	<b>10,956</b>
<b>Transactions with owners, recorded directly in equity</b>							
<u>Contributions by and distributions to owners</u>							
Share-based payment transactions	-	944	-	-	944	-	944
Non-reciprocal capital distribution made to a non-wholly owned subsidiary	-	(1,193)	-	-	(1,193)	1,193	-
Capital injection by non-controlling interests	-	-	-	-	-	9,066	9,066
Purchase of treasury shares	-	(64)	-	-	(64)	-	(64)
Transfer to statutory reserve	-	922	-	(922)	-	-	-
Total contributions in ownership interests in subsidiary	-	609	-	(922)	(313)	10,259	9,946
<u>Changes in ownership interests in subsidiaries</u>							
Acquisition of subsidiary with non-controlling interests	-	-	-	-	-	(2)	(2)
Disposal of subsidiary with a change in control	-	-	-	(115)	(115)	(4,695)	(4,810)
Total other capital transactions	-	-	-	(115)	(115)	(4,697)	(4,812)
<b>Total transactions with owners</b>	<b>-</b>	<b>609</b>	<b>-</b>	<b>(1,037)</b>	<b>(428)</b>	<b>5,562</b>	<b>5,134</b>
<b>At 31 December 2018</b>	<b>2,208,267</b>	<b>459,750</b>	<b>(158,084)</b>	<b>222,712</b>	<b>2,732,645</b>	<b>1,243,733</b>	<b>3,976,378</b>

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**1 (d)(i) Statement of Changes in Equity for the Group and the Company (cont'd)**

<b>Company</b>	<b>Share capital</b> S\$'000	<b>Other reserves <sup>(1)</sup></b> S\$'000	<b>Retained earnings</b> S\$'000	<b>Total</b> S\$'000
<b>At 1 October 2018</b>	2,208,267	22,051	6,602	2,236,920
<b>Total comprehensive income for the period</b>				
Profit for the period	-	-	3,035	3,035
<u>Other comprehensive income</u>				
Net change in fair value of financial assets, at FVOCI	-	(5,959)	-	(5,959)
Total other comprehensive income	-	(5,959)	-	(5,959)
<b>Total comprehensive income for the period</b>	-	(5,959)	3,035	(2,924)
<b>Transactions with owners, recorded directly in equity</b>				
<u>Contributions by and distributions to owners</u>				
Share-based payment transactions	-	944	-	944
Purchase of treasury shares	-	(64)	-	(64)
<b>Total transactions with owners</b>	-	880	-	880
<b>At 31 December 2018</b>	<b>2,208,267</b>	<b>16,972</b>	<b>9,637</b>	<b>2,234,876</b>

Notes:

- (1) Other reserves include capital reserve, fair value reserve, equity compensation reserve, reserve for own shares and statutory reserve
- (2) The foreign currency translation reserve comprised foreign exchange differences arising from the translation of the financial statements of foreign operations, associates and joint ventures, and foreign exchange differences arising from monetary items forming part of net investment in foreign operations.

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**1 (d)(ii) Details of any Changes in Share Capital**

Issued Share Capital

As at 31 December 2019, the Company's issued and fully paid-up capital (excluding treasury shares) comprised 1,661,709,368 (31 December 2018: 1,661,709,368) ordinary shares.

	No. of Shares (‘000)
In issue at 01.01.2019 / 31.12.2019	1,661,709

Outstanding Options under Perennial Employee Share Options Scheme 2014

	No. of Share Options (‘000)
As at 01.10.2019 / 31.12.2019	72,465.5

On 25 February 2019, the Company granted 27,719,500 share options to certain directors and employees of the Group under the Employee Share Option Scheme 2014 (“ESOS”). The number of outstanding options represents 4.40% of the total number of shares issued as at 31 December 2019 (31 December 2018: 3.40% of issued shares of 1,661,709,368). The options have a validity of 5 years from the date of grant and are vested over a period of 4 years.

**1 (d)(iii) A statement showing all sales, transfer, disposals, cancellations and/or use of treasury shares at the end of the current financial period reported on**

As at 31 December 2019, the Company held 3,435,000 treasury shares (31 December 2018: 3,435,000) which represents 0.21% (31 December 2018: 0.21%) of the total number of issued shares (excluding treasury shares).

There has been no movement in the number of treasury shares during the quarter.

**2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice**

The figures have not been audited or reviewed by the Company's auditors. Due to the current novel coronavirus situation, the audit is still in progress and has not been completed due to travel restrictions and/or other measures imposed by the authorities.

**3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

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**4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2018, except for the adoption of new/revised Singapore Financial Reporting Standards (International) (SFRS(I)s) applicable for the financial period beginning 1 January 2019 as follows:

- SFRS(I) 16 Leases
- SFRS(I) INT 23 Uncertainty over Income Tax Treatments
- Long-term Interests in Associates and Joint Ventures (Amendments to SFRS(I) 1-28)
- Prepayment Features with Negative Compensation (Amendments to SFRS(I) 9)
- Previously Held Interest in a Joint Operation (Amendments to SFRS(I) 3 and SFRS(I) 11)
- Income Tax Consequences of Payments on Financial Instruments Classified as Equity (Amendments to SFRS(I) 1-12)
- Borrowing Costs Eligible for Capitalisation (Amendments to SFRS(I) 1-23)
- Plan Amendment, Curtailment or Settlement (Amendments to SFRS(I) 1-19)

The Group does not expect any significant impact on its financial position or performance from the adoption of these new/amendments to SFRS(I)s.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Please refer to item 4 above.

**6 Earnings per Share**

	<b>Group</b>			
	<b>3 months 31.12.2019</b>	<b>3 months 31.12.2018</b>	<b>12 months 31.12.2019</b>	<b>12 months 31.12.2018</b>
Profit for the period attributable to owners of the Company (S\$'000)	38,522	15,999	3,832	78,055
Weighted average number of shares for the period ('000)				
- Basic	1,661,709	1,661,802	1,661,709	1,662,312
- Diluted	1,661,709	1,661,802	1,661,709	1,662,312
<b>EPS (cents)</b>				
- Basic	2.32	0.96	0.23	4.70
- Diluted	2.32	0.96	0.23	4.70



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**7 Net Asset Value per Share**

	Group		Company	
	31.12.2019 S\$/share	31.12.2018 S\$/share	31.12.2019 S\$/share	31.12.2018 S\$/share
Net asset value per share based on issued share capital at the end of the year	1.584	1.644	1.351	1.345

**8 Review of the Performance**

	3 months ended 31.12.2019 S\$'000	3 months ended 31.12.2018 S\$'000	Change %	12 months ended 31.12.2019 S\$'000	12 months ended 31.12.2018 S\$'000	Change %
	Revenue	33,051	22,957	44.0	124,221	78,261
Share of results of associates and joint ventures, net of tax	35,347	23,651	49.5	80,919	56,279	43.8
Earnings before interest and tax ("EBIT")	74,625	62,329	19.7	135,984	376,207	(63.9)
Net finance costs	(21,023)	(25,833)	18.6	(108,705)	(84,400)	(28.8)
<b>Profit before tax</b>	<b>53,602</b>	<b>36,496</b>	<b>46.9</b>	<b>27,279</b>	<b>291,807</b>	<b>(90.7)</b>
<b>Profit attributable to the owners of the Company ("PATMI")</b>	<b>38,522</b>	<b>15,999</b>	<b>140.8</b>	<b>3,832</b>	<b>78,055</b>	<b>(95.1)</b>

**4Q 2019 vs 4Q 2018**

The Group registered a revenue of S\$33.1 million (4Q 2018: S\$23.0 million) and an EBIT of S\$74.6 million (4Q 2018: S\$62.3 million) for the quarter ended 31 December 2019.

**Revenue**

Revenue for 4Q 2019 was 44.0% higher than same period last year, mainly attributable to higher revenue contributions from Capitol Singapore, Chijmes, Qingyang, PIHMH and higher fee income.

Singapore assets contributed revenue of approximately S\$14.7 million, representing 44.5% (4Q 2018: S\$7.7 million, representing 33.4%) of the Group's revenue. The operational assets in China contributed revenue of S\$14.1 million, which represents 42.7% (4Q 2018: S\$11.8 million, which represents 51.2%) of the Group's revenue. The remaining 12.8% (4Q 2018: 15.4%) of the Group's revenue came from the fee-based management businesses.

**8 Review of the Performance (cont'd)**

**EBIT**

EBIT for 4Q 2019 increased by 19.7% due to higher fair value gains and higher share of results from associates/joint ventures. Fair value gains came mainly from our projects in China. The increase in valuation was a result of higher rental achieved by the operational malls and advancement in construction works of the development projects.

**PATMI**

PATMI was higher as a result of the higher EBIT and lower net finance costs. Net finance costs reduced due to an increase in interest income from associated companies of S\$6.3 million which more than offset the increase in finance expenses.

**12M 2019 vs 12M 2018**

The Group registered a revenue of S\$124.2 million and an EBIT of S\$136.0 million for the twelve months ended 31 December 2019.

**Revenue**

The higher revenue in 12M 2019 was mainly due to the inclusion of the full twelve months revenue of both Capitol Singapore and PIHMH as compared to seven months in 12M 2018 and an increase in revenue from both assets year on year as their operations continue to be ramped up. The increase in 12M 2019 revenue was also contributed by higher fee income from management business.

**EBIT**

For 12M 2019, the Group achieved S\$136.0 million of EBIT, which was 63.9% lower than 12M 2018. The decrease in EBIT was primarily due to lower fair value gains. Fair value gains at EBIT level were S\$68.9 million in FY2019 as compared to S\$332.3 million in FY2018. In FY2018, two plots on Beijing Tongzhou Phase 1 were reclassified to investment properties from development properties as these plots were identified for lease, following the receipt of constructions permits. The decrease was mitigated by divestment gain, higher share of results from associates/joint ventures and fee income.

**Net finance costs**

Finance costs comprised mainly interest on bank borrowings and medium term notes, and amortisation of transaction costs incurred on financing facilities. The net finance costs for the period were higher than last year due to slightly higher interest rates, additional loans drawn to fund new investments and interest expenses of PIHMH which were expensed off on completion of the project. As at 31 December 2019, the Group's net debt-to-equity ratio stood at 0.74 times (31 Dec 2018: 0.72 times). The increase in net debt-to-equity ratio was due to an increase in debt of about S\$31 million coupled with a reduction in equity due to foreign currency translation losses arising from the depreciation of RMB against the SGD.

**PATMI**

PATMI decreased by 95.1% due to lower fair value gains and higher finance expenses, mitigated by higher share of results from associates/joint ventures, higher management fee income and divestment gains.

**9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

There is no material change from the previous prospect statement.

**10 Commentary on the competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months**

Singapore

Based on advance estimates from Ministry of Trade and Industry (MTI), Singapore economy grew by 0.8% year on year in the fourth quarter and 0.7% for the whole of 2019.

The repositioning of the retail space at Capitol Singapore was completed in 4Q 2019 and new tenants such as Ponggol Nasi Lemak, Carmen's Best Ice Cream, Takumi and FLOR Luxe by FLOR Patisserie have commenced operations, bringing the occupancy to 92.3%.

At 111 Somerset, we saw a strong ramp up in the sales of strata office units. A total of 26 office units were sold in 4Q 2019 as compared to 13 office units and 2 medical units in 3Q 2019.

China

China's GDP grew by 6.0% in the fourth quarter of 2019 and 6.1% for the full year 2019, meeting expectations despite the trade tensions with the US.

Our operational retail malls in Qingyang and Foshan continue to maintain close to full occupancies and have achieved higher rental. In Chengdu, PIHMH, our newly operational asset, saw improved performance post the opening of Gleneagles Chengdu Hospital in Oct 2019.

The current novel coronavirus ("2019-nCoV") outbreak has disrupted the Chinese economy significantly and the impact is spilling over to the rest of the world, including Singapore. The situation has affected the businesses of our tenants in both our China and Singapore assets as well as our hotel business. If the 2019-nCoV outbreak continues for a protracted period, we expect the financial performance of our operating assets in China and Singapore to be adversely impacted.

Singapore has revised its economic forecast from 0.5% - 2.5% to a negative 0.5% - 1.5% on the 2019-NCoV impact. For China, market expectation is that FY2020 growth will be revised from 5.8% to 5.5%.

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**11 Dividends**

**(a) Current financial period**

Yes. Please refer to Note 16.

**(b) Corresponding period of the immediately preceding financial year**

Yes. Please refer to Note 16.

**(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Tax-exempt.

**(d) Date Payable**

To be announced at a later date.

**(e) Books Closure Date**

To be announced at a later date.

**12 If no dividend has been declared / recommended, a statement to that effect and the reason(s) for the decision**

Not applicable.

**13 If the Company has obtained a general mandate from shareholders for interested person transactions, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no interested person transactions mandate has been obtained, a statement to that effect.**

The Company did not obtain a general mandate from shareholders for interested person transactions.

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**14 Segmental revenue and results for business or geographical segments of the Group with comparative information for the immediately preceding year.**

<b>12M 2019</b>	<b>Singapore</b> S\$'000	<b>China</b> S\$'000	<b>Management</b> <b>businesses</b> S\$'000	<b>Corporate</b> <b>and others</b> S\$'000	<b>Eliminations</b> S\$'000	<b>Total</b> S\$'000
Sales to external customers	56,225	50,902	11,534	5,560	-	124,221
Inter-segment	-	-	18,391	12,040	(30,431)	-
<b>Total revenue</b>	<b>56,225</b>	<b>50,902</b>	<b>29,925</b>	<b>17,600</b>	<b>(30,431)</b>	<b>124,221</b>
Segment results	(14,184)	77,900	14,668	(5,864)	(17,455)	55,065
Share of results of associates and joint ventures, net of tax	22,105	59,208	-	(394)	-	80,919
Net finance costs	(39,943)	(61,062)	234	(9,395)	1,461	(108,705)
<b>Profit before tax</b>						<b>27,279</b>
Tax expense						(21,822)
<b>Profit for the year</b>						<b>5,457</b>

<b>12M 2018</b>	<b>Singapore</b> S\$'000	<b>China</b> S\$'000	<b>Management</b> <b>businesses</b> S\$'000	<b>Corporate</b> <b>and others</b> S\$'000	<b>Eliminations</b> S\$'000	<b>Total</b> S\$'000
Sales to external customers	22,600	41,408	14,063	190	-	78,261
Inter-segment	-	-	8,921	12,728	(21,649)	-
<b>Total revenue</b>	<b>22,600</b>	<b>41,408</b>	<b>22,984</b>	<b>12,918</b>	<b>(21,649)</b>	<b>78,261</b>
Segment results	9,463	318,432	5,565	(5,778)	(7,754)	319,928
Share of results of associates and joint ventures, net of tax	46,502	10,622	-	(845)	-	56,279
Net finance costs	(37,728)	(42,771)	612	(5,584)	1,071	(84,400)
<b>Profit before tax</b>						<b>291,807</b>
Tax expense						(82,302)
<b>Profit for the year</b>						<b>209,505</b>

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**15 Breakdown of Group's revenue and profit after tax**

	<b>12 months ended 31.12.2019</b>	<b>12 months ended 31.12.2018</b>	<b>Increase/ (Decrease)</b>
	S\$'000	S\$'000	%
Revenue			
- first half year	52,487	33,075	58.7
- second half year	71,734	45,186	58.8
<b>Full year revenue</b>	<b>124,221</b>	<b>78,261</b>	
(Loss)/Profit after tax before non-controlling interests ("PAT")			
- first half year	(24,685)	25,553	(196.6)
- second half year	30,142	183,952	(83.6)
<b>Full year PAT</b>	<b>5,457</b>	<b>209,505</b>	

**16 Breakdown of total annual dividend (in dollar value) of the Company**

Name of Dividend	<b>Current financial period ended 31.12.2019</b>	
	<b>Ordinary</b>	<b>Total</b>
Type of Dividend	Cash	Cash
Dividend per share (cents/share)	0.20	0.20
<b>Annual Dividend (S\$'000)</b>	<b>3,323</b>	<b>3,323</b>

Name of Dividend	<b>Previous financial year ended 31.12.2018</b>	
	<b>Ordinary</b>	<b>Total</b>
Type of Dividend	Cash	Cash
Dividend per share (cents/share)	0.40	0.40
<b>Annual Dividend (S\$'000)</b>	<b>6,647</b>	<b>6,647</b>

The above dividend amounts are estimated based on the number of issued shares (excluding treasury shares) as at 31 December 2019. The actual dividend payment can only be determined on books closure date.

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**17 Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company confirms that it has procured undertakings from all its directors and executive officers in the format set out in Appendix 7.7 under Rule 720(1) of the SGX-ST Listing Manual.

**18 Confirmation pursuant to Rule 704(13) of the Listing Manual**

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Trading Limited, the Company confirms that there is no person occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

On behalf of the Board

Kuok Khoon Hong  
Chairman

Pua Seck Guan  
Chief Executive Officer

By Order of the Board

Wong Chuen Shya  
Company Secretary  
20 February 2020